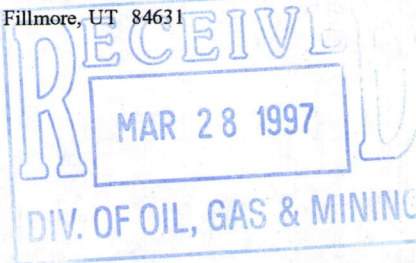


M/027/007



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
HOUSE RANGE/WARM SPRINGS RESOURCE AREA
35 East 500 North
Fillmore, UT 84631



IN REPLY REFER TO:

3809

U-054

UTU-063447-01

March 26, 1997

D WAYNE HEDBERG
PERMIT SUPERVISOR, MINERALS REGULATORY PROGRAM
UTAH DIVISION OF OIL, GAS AND MINING
1594 W N TEMPLE SUITE 1210
BOX 145801
SALT LAKE CITY UT 84114-5801

Dear Mr. Hedberg:

In response to the questions about Jumbo Mining (Jumbo) and the Drum Mine asked by Dan Moquin, as attached to your letter of March 25, 1997, the position of the Bureau of Land Management (BLM) is as follows. Your file number on this operation is M/027/007.

Question 1. Do your records show that the mine has been inactive since October 1, 1990?

Our records indicate that the only activity that has occurred at the Drum Mine since 1990 is minor repair work, some monitoring of groundwater and runoff from the heaps, and complying with some of the requirements listed in the Notice of Noncompliance issued by the House Range Resource Area Manager on March 10, 1995. Our records indicate that no mining or leaching have taken place since 1990.

Our records do not indicate the actual date that mining and leaching activity stopped. There is a copy of a letter in our files, dated September 7, 1990, from Jumbo to the Utah Department of Health (UDH), indicating that they will cease operations on October 1, 1990 unless an extension is given until mid-December. There is nothing in our files indicating if the UDH refused or granted the extension.

Question 2. Would the BLM allow the present heaps and process ponds to be used?

Our records indicate that the present heaps and process ponds fail to meet the standards now required by the State of Utah. Our regulations require that operations be in compliance with all applicable Federal, State, and local law. Accordingly, the BLM would not allow the present heaps and ponds to be used.

Additionally, the heap liners have been demonstrated to leak, and for that reason alone the BLM would not allow the present heaps to be used. The Notice of Noncompliance, issued to Jumbo on March 10, 1995, stated that the "process ponds are not permitted, but may be reusable if they are relined according to DWQ specifications."

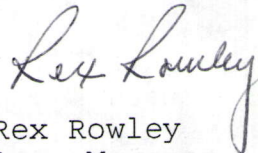
Question 3. What is the status of any application to update the ponds or permit a new heap?

The Notice of Noncompliance, issued March 10, 1995, required Jumbo to submit a modified Plan of Operations (Plan). Jumbo submitted a new Plan on September 17, 1996, but that Plan was determined to be incomplete. Jumbo was notified by letter that their plan was incomplete on January 15, 1997, and given an additional 45 days, from receipt, to submit the required information. That deadline was March 7, 1997. As of today's date, the BLM has not received a response from Jumbo.

It is the position of the BLM that Jumbo has established a Record of Noncompliance. It is anticipated that within two weeks the case file will be forwarded to the Utah State Director, Bureau of Land Management, for the establishment of a duration for the Record of Noncompliance.

If you have any further questions on this matter, please contact Ron Teseneer, 801-743-3100.

Sincerely,



Rex Rowley
Area Manager